

WATER/ABJ/PTL: jlj

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION
Water Branch

RESOLUTION NO. W-4387
April 3, 2003

R E S O L U T I O N

(RES. W-4387), DEL ORO WATER COMPANY, PARADISE PINES DISTRICT (DOWCPP). ORDER AUTHORIZING A ONE-TIME WATER QUANTITY SURCHARGE PRODUCING AN INCREASE IN REVENUE OF \$38,626.12 OR 2.8% TO OFFSET COSTS OF PURCHASED WATER.

SUMMARY

By Advice Letter No. 114, filed January 13, 2003, and by Supplemental Advice Letter No. 114-A, filed February 19, 2003, DOWCPP seeks to collect a quantity surcharge for purchased water. This resolution grants DOWCPP's request for authority to collect a one-time surcharge of \$8.47 from each customer over two billing cycles at the rate of \$4.23 and \$4.24 per cycle, respectively.

BACKGROUND

DOWCPP is a corporation, owned by Robert Fortino, providing water service to an area known as Fir Haven Subdivision, Sierra Del Oro Subdivisions, Paradise Pines Subdivisions, and vicinity, located approximately 6 miles north of Paradise, Butte County. DOWCPP serves approximately 4,561- metered rate connections serving approximately 11,000 customers in the service area in and around the community of Paradise Pines, in Butte County.

The current rates became effective on August 28, 2002, pursuant to Res. W-4341, which authorized a new memorandum account to track the cost of purchased water required to meet the 2002 summer demand.

DOWCPP requested authority under General Order 96-A and Section 454 of the Public Utilities Code to adjust rates to cover the cost of purchased water recorded in the memorandum account that was authorized pursuant to Res. W-4341. The purchased water was needed to meet the demand of customers during the traditional period of peak demand from June through October 2002.

DOWCPP's main source of supply comes from four wells that pump water from two distinct aquifers. The water demand has increased because the utility now has more large water users, two schools for example. The community is gradually changing from a retirement area to a more traditional community. The mix of families in the service area has also changed so that now there are more families with children, and those families tend to use more water.

DISCUSSION

A review of DOWCPP's records indicates that DOWCPP has made concerted efforts in 2002 to perform system leak detection, improve the efficiency of new Well No. 6, and evaluate the district's ability to completely eliminate the need for imported water under normal operations.

In 2002, DOWCPP crews worked along side Utility Services Associates and all confirmed leaks were addressed and repaired. Well No. 6 is being equipped with a variable speed drive to improve the system efficiency under the engineering supervision of D.L. Payne and Associates. The engineering analysis by Luhdorff and Scalmanini Consulting Engineers indicated that until additional water sources are developed, production shortfalls utilizing the ground water wells will continue and will have to be supplemented during periods of peak use.

In 2002, DOWCPP imported 80.79 acre-feet of water equaling \$38,626.12. DOWCPP should continue making a sincere attempt to improve system efficiency and reduce losses. This may eliminate the need for purchased water in the future.

The Branch analyzed DOWCPP's request, supporting workpapers, and supplementary data, and concurred with DOWCPP's estimates.

DOWCPP's current rate structure consists of one schedule: No. PP-1A, Annual General Metered Service.

At the Branch's recommended rates, a one-time surcharge of \$8.47 is added to each customer's bills over two billing cycles at the rate of \$4.23 and \$4.24 per cycle respectively.

NOTICE AND PROTESTS

A notice of the proposed rate increase was published in the January 14, 2003 edition of the Paradise Post in Paradise. There were no protests. Service is satisfactory. There are no significant service problems requiring corrective action.

COMPLIANCE

There are no outstanding Commission orders requiring system improvements. The utility has been filing annual reports and its Year 2000 questionnaires as required.

FINDINGS

1. DOWCPP was authorized to establish a memorandum account and record the actual purchased water costs into a memorandum account pursuant to Res. W-4341.
2. DOWCPP should continue making a sincere attempt to improve system efficiency and reduce losses to eliminate the need for purchased water.
3. DOWCPP purchased 80.79 acre-feet of water in 2002 for a cost of \$38,626.12.
4. These purchases were reasonable and required to meet summer peak demand.
5. The rates recommended by the Branch are reasonable and should be authorized.

THEREFORE IT IS ORDERED THAT:

1. Del Oro Water Company's Paradise Pines District is authorized to make effective the revised rate Schedule PP-1A, Annual General Metered Service, attached to Advice Letter No. 114 and concurrently to cancel its presently effective rate schedule. The effective date of the revised schedule shall be made five days after the date of this resolution.
2. Del Oro Water Company's Paradise Pines District shall continue making a sincere attempt to improve system efficiency and reduce losses to eliminate the need for purchased water.

3. This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on April 3, 2003; the following Commissioners voting favorably thereon:

WILLIAM AHERN
Executive Director

MICHAEL R. PEEVEY
President

CARL W. WOOD
LORETTA M. LYNCH
GEOFFREY F. BROWN
SUSAN P. KENNEDY
Commissioners